Honda Giken Kogyo Kabushiki Kaisha v Allied Pacific Motor (M) Sdn Bhd & Anor

HIGH COURT (SHAH ALAM) — CIVIL SUIT NO MT1–22–392 OF 2004
SURIYADI J
22 MARCH 2005

Civil Procedure — Injunction — Designs — Clear case of imitation of designs — Repercussion of injunction substantial and would entail social and financial ramifications to many parties — Whether injunction should be granted

Copyright — Design copyright — Prior publication of work in another country — Whether work still accorded statutory protection — Effect of Copyright (Applications to Other Countries) Regulations 1990

Patents — Registered designs — Whether designs were new — Designs sold in another country prior to registration — Whether registration flawed

The plaintiff applied for an interlocutory injunction relying on infringements of its registered industrial designs and copyright works (being parts of a motorcycle) by the defendants. The defendants disputed the validity of the plaintiff's registration of designs and alleged that as the impugned vehicle's design had been sold much earlier in Thailand, the plaintiff's registration of the designs were flawed as they were not new. The issues were, *inter alia*: (1) whether any imitation had occurred as regards the registered designs; (2) whether there were evidential similarities in the designs; and (3) whether on the facts, an injunction should be granted.

Held, dismissing the plaintiff's application:

(1) A design is new if it has yet to be disclosed to the public anywhere in Malaysia and has not been the subject of another registration application in Malaysia but by a different applicant (see para 13). The fact that similar designed vehicles had been sold in Thailand earlier than the registration of the plaintiffs exclusive right, was irrelevant for purposes of the definition of 'new'. It is thus conclusive that prior to or on the date of the plaintiff's registration of its designs (on 7 December 2000), no industrial designs similar in material details or features, or even differing only in immaterial details or in features to the plaintiff's designs were disclosed in Malaysia or had been registered in Malaysia (see para 14) On the day the designs were registered, they were indeed new. With all the material requirements of the Industrial Designs Act having been adhered to, the final act of the registrar to issue the certificates was certainly above criticism (see para 15).

(2) The result of the inspection of the vehicles merely confirmed that earlier impression, that on a balance of probability the defendants' design was

an obvious imitation of the plaintiff's designs. The fact that there was no quarrel by the defendants that it had obtained no licence or consent from the plaintiff had reduced its burden of the necessity to disprove any allegation of consent having been obtained (see para 23).

(3) With the promulgation of Copyright (Applications to Other Countries) Regulations 1990, any work from a specified country, regardless of time, if eligible for copyright protection under the Copyright Act 1987, will be accorded protection whether it did enjoy protection or not in that specified country (see para 33). In other words, even though the plaintiff's works were published in Thailand sometime in 1986, but not published within one month in Malaysia, the statutory stumbling block of s 4(3) of the Copyright Act was neutralised by the promulgation of the Copyright (Application to Other Countries) Regulations 1990. That being so the plaintiffs copyrighted works will be accorded the statutory protection (see para 34).

(4) The physical evidence as seen visually, confirmed the court's earlier impression that the plaintiff's drawings protected by the law of copyright, were similar to the eventual product of the defendant's products. An imitation of the plaintiff's works did take place when the latter machine was produced or substantially reproduced in direct contravention of the plaintiff's rights. Certainly no permission, licence or consent was given by the plaintiff to the defendants to use the designs or infringe the plaintiff's copyright (see para 39). There was no necessity to resort to external aid or expert evidence before arriving at the conclusion that the registered industrial designs or the copyrighted works of the plaintiff had been imitated, and on the face of it, compromised (see para 41).

(5) There were several factors which militate against the granting of an injunction for the defendant's products, beginning with the plaintiff's industrial registered designs being registered way back on 7 December 2000, but supposedly launching its product only in October 2004 (see para 42). If the court were to grant the injunction pending the final disposal of the matter at hand, the repercussion might be very substantial as that order would entail social and financial ramifications to many parties, including the employees, the excise authorities, third parties, distributors and State Governments. As against this backdrop, it must be understood that the plaintiff's losses would still be at ground zero, as the plaintiff's product had yet to be marketed despite the so-called launching in October 2004 (see para 43). Also, in as much as the plaintiff may take advantage of its registration of the industrial designs, the defendants likewise may capitalize on its sister company, Magna Carriage Sdn Bhd's registration of Industrial Design Reg No MY02-00705 registered on 23 November 2002 ('Magna design') which were similar to the plaintiff's designs (see para 46).

[**Bahasa Malaysia summary**

Plaintif telah memohon satu injunksi interlokutori berdasarkan pelanggaran rekaan perindustrian dan kerja-kerja hak cipta (yang merupakan bahagian-bahagian sebuah motosikal) oleh defendan-defendan. Defendan-defendan mempertikaikan kesahan pendaftaran rekaan-rekaan plaintif dan mendakwa bahawa memandangkan rekaan kenderaan yang dipersoalkan telah pun dijual lebih awal di Thailand, pendaftaran rekaan plaintif tidak sah kerana ia tidak baru. Persoalan-persoalannya adalah, antara lain: (1) sama ada apa-apa peniruan berlaku terhadap rekaan-rekaan yang didaftarkan itu; (2) sama ada terdapat bukti keserupaan dalam rekaan-rekaan tersebut; dan (3) sama ada berdasarkan fakta, satu injunksi patut dibenarkan.

Diputuskan, menolak permohonan plaintif:

(1) Suatu rekaan adalah baru jika ia belum didedahkan kepada orang awam di mana-mana di Malaysia dan tidak tertakluk kepada apa-apa permohonan pendaftaran lain di Malaysia tetapi oleh pemohon yang lain (lihat perenggan 13). Hakikat bahawa kenderaan yang mempunyai rekaan serupa telah dijual di Thailand terlebih dahulu daripada pendaftar hak eksklusif plaintif, adalah tidak relevan bagi tujuan tafsiran 'baru'. Ia oleh itu adalah konklusif bahawa sebelum atau pada tarikh pendaftaran rekaan-rekaan plaintif (pada 7 Disember 2000) tiada rekaan perindustrian yang serupa dengan ciri-ciri atau sifat material, atau yang berbeza hanya dari segi rekaan yang tidak material atau dari segi sifatnya dengan rekaan plaintif telah didedahkan di Malaysia atau telah didaftarkan di Malaysia (lihat perenggan 14). Pada hari rekaan-rekaan tersebut didaftarkan, ianya adalah baru. Dengan segala keperluan material Akta Rekaan Perindustrian telah dipatuhi, langkah terakhir pendaftar untuk mengeluarkan sijil sememangnya untuk dipertikaikan (lihat perenggan 15).

(2) Hasil pemeriksaan kenderaan tersebut hanya mengesahkan bahawa tanggapan sebelum ini, iaitu atas imbangan kebarangkalian rekaan defendan-defendan adalah jelas peniruan rekaan-rekaan plaintif. Hakikat bahawa tiada pertikaian oleh defendan-defendan yang ia tidak mendapat lesen atau persetujuan daripada plaintif telah mengurangkan beban keperluannya untuk membuktikan apa-apa dakwaan persetujuan telah diperoleh (lihat perenggan 23).

(3) Dengan pengisytiharan Peraturan-Peraturan Hakcipta (Pemakaian Bagi Negara-Negara Lain) 1990, apa-apa kerja daripada negara yang khusus, tidak kira masa, jika layak mendapat perlindungan hak cipta di bawah Akta Hak Cipta 1987, akan diberikan perlindungan sama ada ia telah menikmati atau tidak perlindungan itu di negara khusus itu (lihat perenggan 33). Dalam kata lain, walaupun kerja-kerja plaintif telah diterbitkan di Thailand sekitar 1986, tetapi tidak diterbitkan dalam tempoh

satu bulan di Malaysia, peruntukan statutori s 4(3) Akta Hak Cipta dineutralkan dengan pengisytiharan Peraturan-Peraturan Hakcipta (Pemakaian Bagi Negara-Negara Lain) 1990. Oleh demikian kerja-kerja plaintif yang telah mendapat hak cipta akan diberikan perlindungan statutori (lihat perenggan 34).

(4) Bukti fizikal seperti yang dilihat, mengesahkan tanggapan mahkamah sebelum ini yang lukisan-lukisan plaintif dilindungi oleh undang-undang hak cipta, adalah sama dengan produk berikutnya seperi produk defendan-defenda. Peniruan kerja-kerja plaintif telah berlaku apabila mesin defendan-defendan dihasilkan atau telah dihasilkan semula yang nyata merupakan satu pelanggaran hak plaintif. Sememangnya tiada kebenaran, lesen atau persetujuan telah diberikan oleh plaintif kepada defendan-defendan untuk menggunakan rekaan-rekaan tersebut atau melanggar hak cipta plaintif (lihat perenggan 39). Tiada keperluan untuk mendapat bantuan luar atau keterangan pakar sebelum tiba kepada kesimpulan bahawa rekaan-rekaan perindustrian yang telah didaftarkan itu atau kerja-kerja plaintif yang telah diberi hak cipta itu telah ditiru, dan berdasarkan itu, telah mencapai kompromi (lihat perenggan 41).

(5) Terdapat beberapa fakta yang menghalang kebenaran mendapat injunksi untuk produk-produk defendan-defendan, bermula dengan rekaan-rekaan perindustrian berdaftar plaintif yang telah didaftarkan sejak 7 Disember 2000, tetapi sepatutnya dilancarkan produknya hanya dalam bulan Oktober 2004 (lihat perenggan 42). Sekiranya mahkamah membenarkan injunksi tersebut sementara menunggu perkara yang sedang berlangsung ini selesai, akibatnya amat penting kerana perintah tersebut akan melibatkan kesan sosial dan kewangan yang merumitkan kepada banyak pihak, termasuklah pekerja-perkerja, pihak berkuasa eksais, pihak-pihak ketiga, pengedar-pengedar dan Kerajaan Negeri. Berdasarkan ini, perlulah difahami bahawa kerugian plaintif masih lagi kecil, kerana produk plaintif belum dipasarkan meskipun pelancaran yang dikatakan itu adalah dalam bulan Oktober 2004 (lihat perenggan 43). Juga, jika pun plaintif mungkin mengambil kesempatan ke atas pendaftaran rekaan-rekaan perindustrian itu, defendan-defendan juga boleh mengambil kesempatan ke atas anak syarikatnya, pendafataran Rekaan Perindustrian Pendaftaran No MY02-00705 oleh Magna Carriage Sdn Bhd pada 23 November 2002 ('rekaan Magna') yang serupa dengan rekaan plaintif (lihat perenggan 46).]

Notes

For case on injunction for infringement of design, see 2 (1) *Mallal's Digest* (4thEd, 2004 Reissue) para 2597.

For case on design copyright, see 3(2) *Mallal's Digest* (4th Ed, 2003 Reissue) para 4959.

Cases referred to

American Cynamid Co v Ethicon [1975] AC 396 (refd)
AMP Incorporated v Utilux Proprietary Ltd [1972] RFC 103 (refd)
Athletes Fool Marketing Associates Inc v Cobra Sports Ltd & Anor (1980) 97 RFC 343 (refd)
Dart Industries Inc & Anor v The Decor Corp Pty Ltd 15 JPR 403 (refd)
Dunlop Rubber Co Ltd v Golf Ball Development Ltd (1931) 48 RFC 268 (refd)
Hunter Douglas Industries BV & Ors v Lim Hong Joo Sdn Bhd and Johny Maing (trading as YODO Industries) & Ors [712] MD 2 (refd)
John Walker & Sons Ltd v Rothmans International Ltd & John Sinclair Ltd (1980) 4 FSR 377 (refd)
Keet Gerald Francis Noel John v Mohd Nor bin Abdullah & Ors [1995] 1 MLJ 193 (refd)
Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd & Anor [1993] 1 MLJ 225 (refd)
Redland Tiles Ltd & Ors v Kua Hong Brick Tile Works [1966] 2 MLJ 62 (refd)
Si Rusa Beach Resort Sdn Bhd v Asia Pacific Hotels Management Ptd Ltd [1985] MLJ 132 (refd)
Solid Gold Publishers Sdn Bhd v Chan Wee Ho & Ors [1993] 5 CLJ 735 (refd)

Legislation referred to

Evidence Act 1950 s 114(e)
Industrial Designs Act 1996 ss 3, 12(1), (2), 14, (1)(c), 16, 21, 22(1)(a), (b), 22(3), 17, 28, 32, 49, 50(1)
Industrial Designs Regulations 1999 regs 12(1), (2), 18, 19
Patent Act 1983 s 14
United Kingdom Designs (Protection) Act 1949
United Kingdom Designs (Protection) Ordinance (Sabah)
Designs (United Kingdom) Ordinance (Sarawak)
Copyright Act 1987 s 3, 4, 10, 26(1)
Copyright (Application to Other Countries) Regulations 1990 regs 2, 3(c), 59A

Linda Wong (Ooi Aik Hin with her) (Tay & Partners) for the plaintiff.
T Kuhan (V Vijayasegaran with him) (Maxwell, Kenion Cowdy & Jones) for the defendant.

Suriyadi J:

[1] The plaintiff has applied for an interlocutory injunction before me relying on infringements of its registered industrial designs and copyright works, by the defendants, as the causes of action. Simply put, two types of infringements have occurred. The first cause of action, ie the infringement of the registered industrial designs in Malaysia relates to the following registrations:

(1) No MY 01–00265 for a motor scooter (registered on 7 December 2000);

(2) No MY 01–00278 for the rear combination lamp (registered on 7 December 2000);

(3) No MY 01–00280 for a motor scooter (registered on 7 December 2000);

(4) No MY 01–00281 for leg shields of a motor scooter (registered on 7 December 2000); and

(5) No MY 01–00290 for handle cover equipped with lights of a motor scooter (registered on 7 December 2000. Hereinafter these five designs will be referred to as 'the registered industrial designs' or merely 'designs').

[2] The abovementioned designs infringement here pertained to parts of a motorcycle and the vehicle proper, embodied in the plaintiff's HONDA WAVE 125 model, allegedly imitated by the defendants under its own version known as COMEL MANJA JMP 125 (see as an example design No MY 01–00280). These designs were registered on 7 December 2000 in Malaysia with the relevant ministry, principally the Kementerian Perdagangan Dalam Negeri Dan Hal Ehwal Pengguna Malaysia, Bahagian Harta Intelek/Perbadanan Harta Intelek Malaysia (Intellectual Property Corporation of Malaysia).

[3] The relevant statutory law as regards the application of registration of industrial designs is the Industrial Designs Act 1996 (Act 552), and it came into force on 1 September 1999 vide PU (B) 304/99 ('the Industrial Designs Act'). This Act now governs the whole of Malaysia, as opposed to the situation before its coming into force, when Peninsular Malaysia was governed by one law and the states of Sarawak and Sabah governed by another. Section 49 of the Industrial Designs Act has repealed all the previous three design laws (United Kingdom Designs (Protection) Act 1949 (Act 214), the United Kingdom Designs (Protection) Ordinance of Sabah (Sabah Cap 152) and the Designs (United Kingdom) Ordinance of Sarawak (Sarawak Cap 59). The minister in charge is the Minister of Domestic Trade and Consumer Affairs. With Malaysia being a member of both the Paris Convention and the Agreement on Trade Related Aspects of Intellectual Property Rights ('TRIPS'), this country is bound to follow the requirements of those treaties with regard to design laws (see s 17 and 28 of the Industrial Designs Act).

[4] The application of the Industrial Designs Act is prospective, and as six years have passed since the date of coming into force of the Act, the teething problems of transitional matters laid down under s 50(1) will certainly not rear itself. An industrial design may be registered under this Act subject to it being new as provided for under s 12(1). Administratively, after all the prerequisites, which are quite stringent and numerous have been complied with, the Registrar of the Industrial Designs shall register the industrial design in his register and thereafter issue the applicant a certificate of registration in the prescribed form (s 22(1)(a) and (b)). When the time is right, that registration is gazetted.

[5] After that last step of gazetting, the owner of the registered industrial design thereafter shall have the exclusive right to make or import for sale or hire, or for use for the purpose of any trade or business, or to sell, hire or to

offer or expose for sale or hire, any article to which the registered industrial design has been applied. Anybody who, without the licence or consent of the owner of that industrial design, and had assumed the rights of the owner, would have infringed the exclusive rights conferred on that registered owner, unless authorized or excused by some reason.

[6] Currently, there are no laws in whatever format that provides that any official act must have been performed in an irregular manner by the relevant officer, in this case the Registrar of Industrial Designs. Likewise there are no laws that presume that the integrity of an officer who carries out an official work must be questionable. The opposite on the other hand is nearer to the truth and is statutorily catered for. Under s 114(e) of the Evidence Act 1950, a court may presume that judicial and official acts have been regularly performed.

[7] As regards this case, *vis-a-vis* the registration of the industrial designs, I may not only presume that the administrative work gearing towards that registration was regularly performed by the registrar, but goes beyond that. I may presume that before he approved the registration of the designs, he did check whether the necessary documentations, together with their contents, have complied fully with the relevant law, ie the Industrial Designs Act 1996 (Act 552). Thus, this statutory law of presumption is not just restricted to the question of scrutinizing whether the right forms have been correctly filled or the right fees have been paid, but must, when construing and appreciating the scope of the provision, extend to the application of the mind too. If the legal requirements of the law pertaining to those relevant designs have not been adhered to, then surely no registration would be entertained. Taking a cue from that, even if that registrar had rejected, and had disallowed the registration, that act may also be presumed to have been regularly carried out. Even though I am not bound to invoke the permissible presumption in the current case, but as there is nothing before me, evidence or otherwise to displace it, I am inclined to accept that the registration was regularly carried out. Having arrived at that conclusion it follows to reason that the registration of the designs must be valid.

[8] Apart from the aspect of presumption of regularity validating that registration under s 114(e) of the Evidence Act, s 22(3) of the Industrial Designs Act states that the certificates of registration, which have been exhibited in the supporting affidavit of the plaintiff, shall be prima facie evidence of the facts stated therein and of their validity. The legal effect of that valid registration is that the plaintiff is entitled, as explained earlier, to the exclusive right to make or import for sale or hire, or for use for the purposes of any trade or business, or to sell, hire or to offer or expose for sale or hire, any article to which the registered industrial designs have been applied (s 32 of the Industrial Designs Act 1996 (Act 552)).

[9] The defendants have a strong view of the matter at hand, by canvassing that despite the apparent valid administrative registration of the designs, the

validity of the registration is disputed from a different perspective. As they have thrown in that challenge, the burden therefore shifts to them to establish its invalidity (*AMP Incorporated v Utilux Proprietary Ltd* [1972] RFC 103). Amongst others, the defendants have alleged that as the impugned vehicle's design have been sold much earlier in Thailand, the plaintiff's registration of the designs were flawed as they were not new. I am unable to accept this contention as the only applicable law for the registration of an industrial design is the Industrial Designs Act, which clearly states that that registration must be subject to the Act, with the design being new. 'Subject to the Act' obviously means conditional upon the observance of conditions prescribed by the Industrial Designs Act, amongst others, in the like of the requirements of ss 14, 16 and 21 where the administrative and formal requirements have been laid down. As required by the Industrial Designs Regulations 1999, eg regs 18 and 19, the registrar shall cause the application for registration of an industrial design to be examined, to ensure satisfaction of adherence of the relevant provisions of the Act and any formal requirements. By the issuance of the certificates I am satisfied that the full effect of the Act must have been observed.

[10] So, were the plaintiff's designs new? Section 12(1) is silent as to the definition of 'new' and one of the ways to appreciate its scope is to turn to s 12(2) for assistance. This provision reads:

> An industrial design for which an application for registration is made shall *not be considered* to be new *if, before the priority date* of that application, it or *an industrial design differing from it only in immaterial* details or in features commonly used in the relevant trade:
>
> (a) was *disclosed* to the public anywhere *in Malaysia*; or
>
> (b) was the *subject* matter of *another application* for registration of an industrial design filed *in Malaysia* but having an *earlier priority date* made by a *different applicant* in so far as that subject matter was included in a registration *granted* on the basis of that other application. (Emphasis added.)

[11] The illustration comes in a negative manner, and with it enacted in such a manner, it suggests that anything that is outside the scope of the above two variables may be taken as being new. Due to the failure to legislate a definition, a question may arise as to whether the terminology of 'new' includes the ingredient of novelty. This inadequacy is also seen in the dearth of that requirement in the definition of 'industrial design' as set out at s 3. Yet s 14(1)(c) of the Industrial Designs Act requires that the registration application shall contain a statement of novelty in respect of the item to be registered, unless it relates to patterns or ornament of a design to be applied to a textile article, to wallpaper or similar wall covering or to lace, or to sets of such articles. This requirement is again restated under reg 12(1) of the Industrial Designs Regulations 1999.

[12] Needless to say, guided by the principles of construction of statutes, and assisted by the above illustration of s 12(2) the ingredient of novelty is

obviously territorial. Even if it has been registered at say Singapore that is irrelevant. By analogy, under s 14 of the Patent Act 1983 (Act 291), to ensure that an invention is patentable it must be established new, whereupon a worldwide search is prescribed, as compared to the Industrial Designs Act 1996 where the search requirement is limited to within Malaysia only.

[13] After comprehending the requirements of the Copyright Act more satisfactorily, the better view is that only the newness of the design is demanded by s 12. In other words Parliament was deliberate in its action when it excluded the ingredient of novelty from the terminology of 'new'. That factor of novelty is indisputably a statutory administrative requirement, and most probably additional ammunition for the registrar to justify registration of that design. Irrespective of the reason, it is thus quite safe to state, in brief, that a design is new if it has yet to be disclosed to the public anywhere in Malaysia and has not been the subject of another registration application in Malaysia but by a different applicant.

[14] The Industrial Designs Act, as said earlier came into force on 1 September 1999 whilst the plaintiff's registration took place on 7 December 2000. As at that stage of registration, not a single HONDA WAVE 125 designed vehicle or COMEL MANJA JMP 125 was on the road, or had been disclosed or brought to the attention of the Malaysian public. The COMEL MANJA JMP 125 was sold or disclosed to the public way after 7 December 2000. A supposed design registered by the defendants' sister company asserted to be similar to HONDA WAVE 125 was registered on 23 November 2002, a date way past the registration of the plaintiff's designs. Needless to say, as the requirements of the Industrial Designs Act is paramount and all encompassing, the fact that similar designed vehicles had been sold in Thailand earlier than the registration of the plaintiff's exclusive right, is irrelevant for purposes of the definition of 'new'. It is thus conclusive that prior to or on 7 December 2000, no industrial designs similar in material details or features, or even differing only in immaterial details or in features to HONDA WAVE 125, were disclosed in Malaysia or had been registered in Malaysia.

[15] With the designs affirmed by the statement of novelty as being novel, and the two variables partisan to the plaintiff, I could only conclude that on the day the designs were registered, they were indeed new. With all the material requirements of the Industrial Designs Act having been adhered to, the final act of the registrar to issue the certificates was certainly above criticism.

[16] For purposes of this case there is a need to see at this early stage whether any imitation has occurred as regards the registered designs. If evidentially the court is satisfied that the defendants have without the licence or consent of the plaintiff, while the registration is still in force, amongst others, applied the industrial designs or any fraudulent or obvious imitation of, or sells, or offers or keep for sale, or hires, or offers, or keeps for hire, any

of the articles to which the registered industrial designs have been applied, then a serious question exists worthy of trial.

[17] Taking the matter a step further, and in tandem with the case of the plaintiff, the follow-up pertinent poser to be resolved by me is whether there are any evidential similarities in the designs, in order to decide that the products of the defendants are imitations of the plaintiff's registered designs. To arrive at that conclusion the plaintiff's representation of the registered designs and the defendants' representation of the infringing products have to be adduced before me and compared. Here, apart from merely scrutinizing the pictures and drawings supplied in the affidavits by the plaintiff, I had also personally seen and inspected the physical exterior of the actual manufactured articles embodying the registered designs. Four different motorcycles, two being the plaintiff's representations (one was a version produced in Thailand similar to HONDA WAVE 125 as the latter had yet to be sold in Malaysia) and two of that of the defendants' vehicles, were directed by me to be brought to the court's premises for comparison purposes. This was done so as to give a clearer picture of things under discussion.

[18] In term of sequence, the first time my attention was brought to the similarities of the registered designs vis-a-vis the other vehicles owned by the defendants, was during the preliminary submissions. Even at that stage I already could detect the similarities between the 'opposing' machines from the drawings, sketches and pictures adduced through the documentary exhibits. By progression and certainly to satisfy myself adequately, and as mentioned above, I had directed the plaintiff to transport the design contested vehicles to the court's premises for further scrutiny. When they were available, I thereafter proceeded to inspect them by mere sight.

[19] In the presence of counsel for both parties and their respective representatives I had inspected their contours from the front, side, rear and top elevation. I had also inspected them from different distances, singularly, part by part and eventually altogether. This course of action of looking at an actual manufactured article embodying the registered designs does not offend any evidential, procedural or substantive law (*Australian Industrial & Intellectual Property* pp 18, 198); *Dunlop Rubber Co Ltd v Golf Ball Development Ltd* (1931) 48 RFC 268 at 279). The findings, especially the similar features observed of the two sets of opposing vehicles were meticulously recorded in my notes of proceedings. I have split them up in the following manner:

SIMILARITIES BETWEEN THE DESIGNS OF HONDA WAVE 125 AND COMEL MANJA JMP 125:

[20] Front view (similarities):

(1) the designs of the handle bars;

(2) edges of the front edges;

(3) diamond shaped signal lights;
(4) vertical aperture designs;
(5) exact position of screws at the vertical aperture design;
(6) shield like shape of the front parts;
(7) shape of hood of tyres (and even the apertures);
(8) indentation at hoods; and
(9) shape of design of the mirrors.

[21] Rear of handle bar view (similarities):

(1) shape of speedometers;
(2) small indents at the speedometer; and
(3) the buttons were placed at the exact position.

[22] Rear of vehicles' seats (similarities):

(1) shape of rear stays of pillon rider;
(2) position of screws for the rear stay;
(3) shape of rear lamps;
(4) shape of lower rear lamps up to the middle partition;
(5) position of rear lamps;
(6) shape of plate holders;
(7) design of plate holders;
(8) shape of rear foot rests stay; and
(9) same dimensions and shape of front portion of riders.

FURTHER COMMENTS AS REGARDS MY FINDINGS PERTAINING TO THE DESIGNS OF THE HONDA WAVE 125 VIS-A-VIS COMEL MANJA JMP 125

[23] The fact that I had ordered the production of the manufactured products for inspection, should not be taken against the plaintiff, as my first impression was already in favour of the plaintiff's case, in that the designs, sketches and pictures had already established that the infringing by-products were similar (*Dart Industries Inc & Anor v The Decor Corp Pty Ltd* 15 JPR 403). The result of the inspection of the vehicles merely confirmed that earlier impression, that on a balance of probability the defendants' COMEL MANJA JMP 125 was an obvious imitation of the plaintiff's HONDA WAVE 125's designs. The fact that there was no quarrel by the defendants that it had obtained no licence or consent from the plaintiff had reduced its burden of the necessity to disprove any allegation of consent having been obtained.

[24] As regards the issue of burden, it was not encumbent on the defendants to draw my attention to the dissimilarities of the representations vis-a-vis the plaintiff's representation at this stage, but for the latter to establish those

similarities and thereafter for the court to decide whether an imitation had indeed taken place. Apart from that I made no attempts to inspect the internal parts as there was no legal requirement to do that.

[25] All that was required of me was to identify the existence of a serious question, and from there to move on to the next relevant issue of whether an interim injunction ought to be granted or not, pending the disposal of the substantive matter filed on 17 May 2004 (*The Athletes Fool Marketing Associates Inc v Cobra Sports Ltd & Anor* (1980) 97 RFC 343; *John Walker & Sons Ltd v Rothmans International Ltd & John Sinclair Ltd* (1980) 4 FSR 377). Based on the above earlier findings, in that there are many similarities between the plaintiff's designs and the manufactured COMEL MANJA JMP 125, let alone they are near replicas, it is thus sufficient for me to conclude that there is a serious question to be tried (*American Cynamid Co v Ethicon* [1975] AC 396; *Keet Gerald Francis Noel John v Mohd Nor bin Abdullah & Ors* [1995] 1 MLJ 193). The issue of actual infringement will be dealt with later during the hearing proper (*Hunter Douglas Industries BV & Ors v Lim Hong Joo Sdn Bhd and Johny Maing (trading as YODO Industries) & Ors* [1991] 1 CLJ 750); [712] MD 2).

[26] As the law of injunction is currently well entrenched, there is thus no necessity for me to delve in depth as to its ingredients, prerequisites or revisit and discuss all the other connected legal factors. Suffice for me to state that, after having arrived at this stage, the question of whether an interim injunction ought to be granted must now depend on the justice of the matter. I must take into account all relevant matters, including whether its issuance would produce more harm than good, as against the harm that would result if refused. If no injunction is granted then status quo is maintained (*Si Rusa Beach Resort Sdn Bhd v Asia Pacific Hotels Management Ptd Ltd* [1985] MLJ 132).

COPYRIGHT ISSUE

[27] Protection to copyright work is accorded only upon fulfillment of all the requirements of the Copyright Act 1987, which came into force on 1 December 1987 vide PU (B) 586/87. Unlike the requirements of the Industrial Designs Act, there is no registration requirement in order to gain statutory protection for copyright works. Regretfully s 3 or any part of the Copyright Act has not provided the terminology of 'work' or 'works' per se, though obviously previous distinctions are not maintained in the Act anymore. Suffice to say that to qualify for copyright protection, irrespective of the quality or purpose of the works for which they are created, certain conditions must be met, amongst them that the author is a 'qualified person' (issue of citizenship/residential status/status of a company), or the place of first publication of the work is in Malaysia, or the work was made in Malaysia or a specified country (s 10 of the Copyright Act and regulation 3 (c) of the Copyright (Application to Other Countries) Regulations 1990. A work is eligible for copyright if the following are satisfied:

(a) it is original in that sufficient skill and effort had been expended in the creation; A

(b) it belongs to one of the categories of protected works;

(c) it complies with the requirements as to form; and

(d) it complies with the qualifications for copyright, qualifications either by reference to its making or publication. B

[28] The copyright works' infringements here are in relation to the plaintiff's two dimensional drawings and the three dimensional form, embodied in the form of a motorcycle, branded under the model of HONDA EX-5 DREAM and reflected in COMEL MANJA JMP 100 (GS-5) (*Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd & Anor* [1993] 1 MLJ 225). From the affidavits I am satisfied at this stage that the copyrighted items were created in Japan by the plaintiff though first published in Thailand. C

[29] The works were initially vested on the author, ie one Mr Ichiro Koizumi, but as the results were made in the course of his employment with Honda R & D Co Ltd, the copyright was deemed transferred to the company (ss 10 and 26(1) of the Copyright Act 1987). On that premise the plaintiff possessed the exclusive rights to the works, be it the two dimensional or three dimensional works. That exclusive right includes also the control of the reproduction in any material form of the copyrighted work or a substantial part thereof, either in its original or derivative form. D E

[30] At the outset I was quite perturbed by the 30 day rule requirement as provided for by s 4 of the Copyright Act 1987, which states that for purposes of this Act a publication shall be deemed to be a first publication in Malaysia if the work was first published in Malaysia and not elsewhere, or the work was published elsewhere but published in Malaysia within 30 days of such publication elsewhere. On that premise in the event the copyrighted works had been published in Thailand, but not published in Malaysia within 30 days of such publication in Thailand, surely the protection thus will not be accorded to the plaintiff's work. A further study revealed that that preliminary conclusion is way off the mark. F G

[31] With the opening of barriers, and the internationalising of copyright protection, from basic bilateral agreements, Malaysia has progressed to multilateral arrangements by joining the Berne Convention. This grouping's main objective was originally framed to ensure reciprocity of protection of member States, later to progress to the arrangement of certain minimum standards of copyright law, to be adhered by the members. The legislation of the Copyright (Application to Other Countries) Regulations 1990, especially regulation 3 ensured protection to be accorded, amongst others to artistic works, provided that it was published or made first either in Malaysia or a specified country. 'Specified countries' under regulation 2 means the countries H I

which are members of the Berne Convention, with Japan, Thailand and Malaysia obtaining membership respectively on 15 July 1899, 17 July 1931 and 1 October 1990.

[32] For better appreciation of the problem at hand, a necessity arises for me to supply more details, and the relevant prognosis. With fresh amendments regulation 59A was inserted by the Copyright Act 1990 (Act 775), purposefully enacted to enable Malaysia to fulfill its obligation under the Berne Convention, whereupon the result was the promulgation of the Copyright (Applications to Other Countries) Regulations 1990. The latter Regulations were to accord copyright protection to works that originated from member State countries. Regulation 3 specifically enacts that:

> Subject to these Regulations, the provisions of the Act shall apply in relation to:
>
> (a) artistic works .... first published in the respective specified countries as they apply in relation to ... artistic works ... first published in Malaysia.

[33] Regulation 1(2) provides that all the Regulations, and by necessity to include the above regulation 3, apply in relation to works made before the commencement of these Regulations as they apply in relation to works made thereafter. As I understand it this provision is retroactive as well as prospective in effect. The total effect of the two Regulations is that, any work from a specified country, regardless of time, if eligible for copyright protection under the Copyright Act 1987, will be accorded protection whether it did enjoy protection or not in that specified country (*Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd & Anor* [1993] 1 MLJ 225). To summarise matters, as from 1 October 1990 all works first published, even those published before the latter date, in any of the specified countries of the Berne Convention will be entitled to copyright protection in Malaysia, subject to eligibility under the Act. Certainly any copyright work that has expired does not count.

[34] In other words, even though the works were published in Thailand sometime in 1986, but not published within one month in Malaysia, the statutory stumbling block of s 4(3) of the Copyright Act was neutralised by the promulgation of the Copyright (Application to Other Countries) Regulations 1990. That being so the plaintiff's copyrighted works will be accorded the statutory protection.

[35] The plaintiff here has sought recourse to s 7(1)(c) as the basis of its action under the second infringement, demanding eligibility for copyright protection under 'artistic works', rather than the earlier infringement of the industrial designs. The only reason I can think of is that the Industrial Designs Act 1996 (Act 552) has removed industrial designs from the realm of copyright. Under s 3 of the Act 'artistic work' is defined as:

'artistic work' includes:

(a) paintings, drawings, etching, lithographs, woodcuts, engravings and prints and any three dimensional work thereof;

(b) maps, plans, charts, diagrams illustrations, sketches and three dimensional works related to geography, topography, architecture or science;

(c) …;

(d) …;

(e) photographs not comprised in a film; and…

[36] As in the case of the infringement of designs, apart from perusing the sketches and the pictures, I had also directed the plaintiff to bring before me the contending vehicles, for my visual inspection. The plaintiff did comply with my directions and I had thereafter inspected them. The following are my findings after inspecting the two opposing vehicles:

THE AREA OF SIMILARITIES BETWEEN HONDA EX-5 DREAM (EX-5) VIS-A-VIS COMEL MANJA JMP 100

[37] (This time I had lumped their similarities without the necessity of splitting them even though I had inspected them from different elevations).

(1) design of lamps (square);

(2) design of rear signal lights (rectangular with inward angle);

(3) side lights are inward angular;

(4) square horn covers;

(5) screws positioned at middle of horn cover;

(6) leg shields:

(7) placement of logo;

(8) frontal fork covers;

(9) each with two side lamps and similar ridges;

(10) front mudguards combined with fork cover and leg shield;

(11) leg shields' slope with opening;

(12) side covers to cover of batteries;

(13) chain covers;

(14) dark swing arms compared to chain cover;

(15) position of 'Honda' and 'Comel' (logo);

(16) Speedometer shape is square and tapering inwards;

(17) design and diagonal stripes at speedometers;

(18) design of handle bars, position and buttons;

A (19) rear lights with slope and angle revealing certain points;

(20) rear mudguard covers; and

(21) fork adjusters with three ridges.

B FURTHER COMMENTS ON THE ALLEGED INFRINGEMENT OF THE COPYRIGHT WORKS, NAMELY THE TWO DIMENSIONAL DRAWINGS AND THE THREE DIMENSIONAL FORM AS EXPRESSED IN HONDA EX-5 DREAM (EX-5) AS REFLECTED IN COMEL MANJA JMP-100 (GS-5)

C **[38]** To appreciate the copyright work infringement under litigation, but before visually inspecting the two vehicles, I was referred to Schedule VI found in the relevant supporting affidavits of the plaintiff and the Statement of Claim. In it were the representations of the two dimensional form drawing of the HONDA EX-5 DREAM MODEL. In Schedule VII of the same documents were representations made by way of photographs. These were D the initial 'proofs' or evidence supplied by the plaintiff to convince me that the designs of HONDA EX-5 DREAM MODEL were theirs. There were 8 black and white photostated pictures and one black and white photostated drawing of a motorcycle, all carrying the name 'HONDA'. None of the pictures or drawing carried the name HONDA EX-5 DREAM MODEL. E The infringing model, ie COMEL MANJA JMP-100 (GS-5) was reflected in Schedule IX, represented by a singular black and white photostated picture placed next to the imitated HONDA EX-5 DREAM for purposes of comparison. So, where were all the conclusive documentations, registrations, certificates, etc to establish or prove that the HONDA EX-5 DREAM MODEL or the copyright of the designs were owned by the plaintiff? The relevant proof F surfaced in the form of encl 4, which was one of the supporting affidavits, as reflected in para 17 that affirmed ownership. One of the supporting exhibits, ie TH-9, highlighted in clear terms the assignment by the assignor (Honda R & D Co Ltd) to the assignee (Honda Motor Co Ltd) the drawings, technical data, industrial property rights and technical information of that model. TH-10 G further confirmed that Mr Ichiro Koizumi who conceptualized and designed HONDA EX-5 DREAM was employed by Honda R & D Co Ltd. This mode of proof is provided for under s 42(1) of the Copyright Act (amended by the Copyright (Amendment) Act 2000; *Solid Gold Publishers Sdn Bhd v Chan Wee Ho & Ors* [1998] 5 CLJ 735).

H **[39]** Without the necessity of repeating the above comprehensive findings of the similarities between the plaintiff's HONDA EX-5 DREAM (EX-5) vis-a-vis the defendant's COMEL MANJA JMP 100 (GS-5), suffice if I merely state that the physical evidence as seen visually, confirmed my earlier impression that the plaintiff's drawings protected by the law of copyright, are similar to I the eventual product of the said COMEL MANJA JMP 100 (GS-5). In brief I am satisfied that an imitation of the plaintiff's works did take place when the latter machine was produced or substantially reproduced in direct contravention

of the plaintiff's rights. Certainly no permission, licence or consent was given by the plaintiff to the defendants to use the designs or infringe the plaintiff's copyright.

[40] On the totality of the facts a serious question of law does exist worthy of consideration. As in the case of the infringement of the registered industrial designs, the next step to take is to consider whether an interim injunction ought to be granted, underlined by the requirements of the elements of justice.

WHETHER ANY INJUNCTION OUGHT TO BE GRANTED AGAINST THE DEFENDANTS' VEHICLES WHICH HAVE INFRINGED THE REGISTERED INDUSTRIAL DESIGNS AND THE COPYRIGHT WORKS OF THE PLAINTIFF

[41] With my observation of the pictures and drawings of the registered designs and those under copyright protection, together with the similarities as noted in my notes of proceedings, it was an effortless exercise to conclude that the similarities were conspicuously obvious, and one too many at that. If I were a potential buyer of any of the plaintiff's genuine products, and merely depending on sight, but not for the logo or brand name, I would certainly be misled and denied the truth of its authenticity, and wrongfully buy the defendants' vehicle (*Redland Tiles Ltd & Ors v Kua Hong Brick Tile Works* [1966] 2 MLJ 62). During my visual inspection there was no necessity on my part to resort to external aid or expert evidence before arriving at the conclusion that the registered industrial designs or the copyrighted works of the plaintiff had been imitated, and on the face of it, compromised.

INJUNCTION AGAINST COMEL MANJA JMP 125?

[42] Despite the above finding of facts, and despite the troubling similarities between the machines, in the course of sifting the evidence I found several factors which militate against the granting of an injunction for the COMEL MANJA JMP 125, beginning with the plaintiff's industrial registered designs being registered way back on 7 December 2000, but supposedly launching its product only in October 2004. It was not disputed by anyone that when this application was filed on 17 May 2004 the plaintiff's HONDA WAVE 125 was yet to be launched. In the meantime the defendants were already way ahead, as it had already created a niche in the market, by the very production of that COMEL MANJA 125.

[43] Now, without the necessity of going into details, if I were to grant the injunction pending the final disposal of the matter at hand, the repercussion might be very substantial as that order would entail social and financial ramifications to many parties. Not only will the interest of the defendants be negatively impacted and perhaps irreversible, but the financial and social consequences on the employees will be debilitating, not to speak of the losses to the country in the form of excise duties. Currently there are also contracts

with third parties, distributors and State Governments, which will be in jeopardy, if an injunction is granted. Even the State Government of Perak has allocated 101.2 hectares for the building of factories for the manufacture of rims of these vehicles, training schools and showrooms. As against this backdrop, it must be understood that the plaintiff's losses will still be at ground zero, as HONDA WAVE 125 has yet to be marketed despite the so-called launching in October 2004.

[44] A rather revealing fact adduced during the hearing was the assertion that the COMEL MANJA JMP-125 had already been taken off the market by the defendants, though denied by the plaintiff. If that were true then the substratum of the matter pertaining to this model would have dissipated and the application academic. Even if it were not true the above preceding reasons would still apply.

[45] Stretching the matter a little further, I was unwilling to acquiesce to the varied but unsubstantiated reasons supplied by the plaintiff as to why WAVE 125 was not marketed simultaneously with COMEL MANJA JMP-125, especially when HONDA EX-5 DREAM (EX-5) could be marketed simultaneously with COMEL MANJA JMP 100 (GS-5). In fact in terms of sale, even though the latter model was never in the same league with the plaintiff's HONDA EX-5 DREAM (EX-5) but despite that competition the plaintiff's vehicle still did exceedingly well.

[46] Apart from the above factual reasons that have persuaded me not to grant the injunction, is the existence of a rather interesting legal poser that tilts in favour of the defendants. In as much as the plaintiff may take advantage of its registration of the industrial designs, and invariably be protected by the deeming provision of s 114 (e) of the Evidence Act, the defendants likewise may capitalize on Magna Carriage Sdn Bhd's (a sister company of the defendants) registration of Industrial Design Reg No MY02-00705 registered on 23 November 2002 ('Magna design'). The defendants have ventilated as per the contents of the unchallenged supplementary affidavit that, they relied solely on the registered Magna designs as the source and authority to produce COMEL MANJA JMP-125, which I found to be similar to HONDA WAVE 125.

[47] Bearing in mind that companies are separate legal entities, the consequential question that may be posed is whether COMEL MANJA JMP-125 is the imitation of the sister company's produce, ie of Magna design or of HONDA WAVE 125. If statutory protection has been accorded to the sister company's design, as it has been approved by the relevant Ministry, further crowned by the defendants' admission of having imitated the Magna design, then surely the right party to act against the defendants is the sister company, and not the plaintiff. With the certainty of the plaintiff being successful in the main case sliding drastically, the pressing need to injunct the defendants is correspondingly reduced. This legal poser cannot be ignored when considering the issue of balance of convenience.

INJUNCTION AGAINST COMEL MANJA JMP 100 (GS-5)?

[48] As regards the prayer against COMEL MANJA JMP 100 (GS-5), the facts revealed that the supposed competitor, ie the plaintiff's HONDA EX-5 DREAM (EX-5), has been around and available nationwide for more than 15 years. It is and has remained the plaintiff's best: selling motorcycle in that category. And this was despite the challenge given by the defendants in the market. The question that must naturally flow is, if things have never been so good for the plaintiff why the need to desperately injunct the defendants' COMEL MANJA JMP 100 (GS-5) now? Needless to say, the various reasons alluded to by me to reject the application of injunction against COMEL MANJA JMP-125, are equally applicable here. On the same latter reasoning, it I were to deny the plaintiff that injunction against COMEL MANJA JMP 100 (GS-5), the plaintiff stands to lose potential profits whilst if I were to grant it, the defendants' business might be destroyed beyond redemption with the employees, third parties, State Governments and the Royal Customs and Excise losing out.

[49] If losses will be incurred by the plaintiff in the process I am satisfied that damages will be an adequate remedy. I am convinced that the defendants are not impoverished companies with unstable records but, as reflected by the available evidence, capable of paying the damages if any.

[50] To avoid any lingering doubts and uncertainty, based on the totality of the evidence, I therefore refuse to grant the injunction against COMEL MANJA JMP-125 and COMEL MANJA JMP 100 (GS-5). On the above reasoning I hereby dismiss encl 3 with costs.

Application dismissed with costs.

Reported by Loo Lai Mee